



Mr. Docket Clerk
Marketing Order Administration Branch
Fruit and Vegetable Programs
AMS, USDA
1400 Independence Avenue, SW
STOP 0237
Washington, DC 20250-0237

FAX (202) 720-8938
E-MAIL moab.docketclerk@usda.gov
INTERNET <http://www.regulations.gov>

RE: Docket No. FV03-925-1PR
Federal Register Vol. 70, No. 100, Page 30001
Grapes Grown in a Designated Area of Southeastern California and Imported
Table Grapes: Proposed Change in Regulatory Period
COMMENTS IN OPPOSITION TO PROPOSED CHANGE

Dear Docket Clerk:

Compañía Sud Americana de Vapores S.A opposes the above referenced change in the effective date of Table Grape Marketing Order 925 and the companion Table Grape Import Regulation 4 that will further restrict table grapes supplied from Chile.

Compañía Sud Americana de Vapores S.A is engaged in the logistics business. Transportation of agricultural commodities in winter and spring seasons accounts for a significant part of our business. We transport approximately 24,767,819 boxes of fresh table grapes from Chile to various ports in the U.S. annually, and 5,218,141 boxes in the month of April.

If the Proposed Rule should be adopted, the substantial portion of these April shipments is expected to either be excluded, or be rushed for shipment before April 1. If exporters packing out earlier to beat the April 1 – the proposed new effective beginning date for Marketing Order 925 and Import Regulation 4, a substantial congestion may be experienced at both the arrival and departure ports, as more fruits will be loaded on to vessels at Chilean ports at the same time, more vessels must be available to handle the extra loads; more vessels will arrive at the U.S. ports at the same time, more fruit must be processed through the U.S. customs at the same time, and more fruit must be fumigated upon arrival at the same time. Further delay in the processing of the table grapes both before departure and upon arrival can negatively affect the condition of the fruit.

There may also be a significant reduction in the cargo volume after April 1, causing fewer ships to sail to the U.S.. As a result, exporters must wait for sufficient cargo to become available for fumigation and loading in Chile, and the delay in shipment



is likely to negatively affect the condition of the fruit. In short, the Proposed Rule will create a substantial disruption in the orderly marketing of the product, contrary to the stated legitimate purpose of a marketing order.

Furthermore, **Compañía Sud Americana de Vapores S.A** concurs with the comments submitted by ASOEX, the Chilean Exporters Association outlined below. Specifically, **Compañía Sud Americana de Vapores S.A** agrees with ASOEX in that:

1. The Proposed Rule imposes marketing order standards on Chilean supplies when no domestic varieties are available, and therefore constitutes a non-tariff barrier contrary to the terms of WTO Agreements and the U.S.-Chile Free Trade Agreement.
2. The Proposed Rule assesses inspection fees starting April 1 when no domestic supplies are being so charged, and thereby violates Article III
3. The record submissions for the proposed rule do not support the proposed changes in the beginning and ending effective date of Marketing Order 925 and the companion Table Grape Import Regulation 4.
4. The change in date from April 20 to April 1 will create an artificial shortage of table grapes since there is no other commercially significant and reliable supply from any source other than Chile.
5. The proposed change in the beginning effective date of Marketing Order 925 and Table Grape Import Regulation 4 from April 20 to April 1 will deprive U.S. consumers of supply of fresh table grapes during a period when there is no other commercially significant and reliable supply from any source other than Chile.
6. The Proposed rule will reduce the volume of grapes shipped to the U.S, thus reducing **Compañía Sud Americana de Vapores'** revenue.
7. The Proposed rule will affect our interests negatively since our vessels availability and utilization is determined in advance taking into consideration elements such as the volume of cargo shipped by producers and their usual date of shipment. Should the Proposed rule be adopted, it will significantly affect our estimate for the relevant periods.

Therefore, **Compañía Sud Americana de Vapores S.A.** urges the agency to reject the Proposed Rule.

Respectfully submitted,

Compañía Sud Americana de Vapores S.A

Cristóbal Rollán R.
Car Carrier and Reefer Senior Vice President